

AMENDED IN ASSEMBLY MAY 12, 2014

AMENDED IN ASSEMBLY APRIL 23, 2014

AMENDED IN ASSEMBLY APRIL 21, 2014

AMENDED IN ASSEMBLY MARCH 28, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

## ASSEMBLY BILL

**No. 1814**

**Introduced by Assembly Member Waldron**

**(~~Coauthor~~: ~~Coauthors~~: Assembly Member Members Ammiano,  
Bonilla, Chesbro, Gonzalez, Jones, Mullin, and Nestande)**

February 18, 2014

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An act to add Section 14133.06 to the Welfare and Institutions Code, relating to Medi-Cal.

### LEGISLATIVE COUNSEL'S DIGEST

AB 1814, as amended, Waldron. Prescriber Prevails Act.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. Existing law specifies the benefits provided pursuant to the program, including the purchase of prescribed drugs that are covered subject to utilization controls. Utilization controls include a requirement that the treatment provider obtain prior authorization for providing medical treatment, as specified.

This bill would, to the extent permitted by federal law, provide that drugs in specified therapeutic drug classes that are prescribed by a Medi-Cal beneficiary's treating provider are covered Medi-Cal benefits.

The bill would require, except as specified, that a Medi-Cal managed care plan cover the drug upon demonstration by the provider that the drug is medically necessary and consistent with federal rules and regulations for labeling and use, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. This act shall be known, and may be cited as, the  
2 Prescriber Prevails Act.  
3 SEC. 2. Section 14133.06 is added to the Welfare and  
4 Institutions Code, to read:  
5 14133.06. (a) It is the intent of the Legislature in enacting this  
6 section that a prescriber's reasonable, professional judgment  
7 prevails for the therapeutic drug classes specified in subdivision  
8 (b) that are not on managed care plan formularies or have prior  
9 authorization requirements.  
10 (b) To the extent permitted by federal law, if a drug in any of  
11 the following therapeutic drug classes is prescribed by a Medi-Cal  
12 beneficiary's treating provider, that drug shall be covered under  
13 the Medi-Cal program:  
14 (1) Antiretroviral drugs for HIV/AIDS.  
15 ~~(2) Drugs used to treat hepatitis C.~~  
16 ~~(3)~~  
17 (2) Antipsychotics.  
18 ~~(4)~~  
19 (3) Antirejection drugs.  
20 ~~(5)~~  
21 (4) Drugs used to treat seizures or epilepsy.  
22 (c) Except as provided in subdivision (d), and notwithstanding  
23 the establishment of a statewide outpatient drug formulary, a  
24 Medi-Cal managed care plan shall cover a drug specified in  
25 subdivision (b), regardless of whether the drug is on the plan's  
26 formulary, if, upon demonstration *consistent with federal law* by  
27 the provider that the drug, in his or her reasonable, professional  
28 judgment, is medically necessary and consistent with the federal  
29 Food and Drug Administration's labeling and use rules and  
30 regulations, as supported in at least one of the official compendia,

1 as defined in Section 1927(g)(1)(B)(i) of the federal Social Security  
2 Act (42 U.S.C. Sec. 1396r-8(g)(1)(B)(i)).

3 (d) (1) If a Medi-Cal managed care plan chooses not to cover  
4 a drug described in subdivision (b), the drug shall be carved out  
5 of that plan and covered on a fee-for-service basis.

6 (2) If a drug is carved out of a Medi-Cal managed care plan as  
7 described in paragraph (1), the plan's contracted rate shall be  
8 reduced accordingly.

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